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World Production and Trade

United States
Department of
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Service

Washington, D.C. 20250

Weekly
Roundup

WR 13-86

April 2, 1986

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAINS

U.S. Wheat Becoming More Competitive. Recent sales of new-crop U.S. wheat may indicate that U.S. prices are becoming more competitive. Algeria, one of the world's leading durum importers, has purchased new-crop U.S. durum for \$136-139 a ton f.o.b., nearly 20 percent below U.S. durum prices a year ago. Algerian durum imports average 1.5 million tons annually with about 500,000 tons coming from the United States and a million tons from Canada and the European Community. In another transaction, Peru has purchased U.S. wheat for June/July delivery at \$103-106 a ton, f.o.b. The purchase compared favorably to a recent Argentine sale priced between \$102-104 a ton. Peru, predominantly a U.S. wheat market until recent years, began purchasing less expensive Argentine wheat when U.S. wheat became less price competitive. This year, though, significant weather damage to the Argentine crop has limited exportable supplies and caused some Argentine customers to look elsewhere. Apparently new-crop U.S. wheat is becoming a competitive alternative.

OILSEEDS

Turkey Increases Restrictions in Vegetable Oil Market. The Turkish government recently raised the import surtax for soybean, sunflowerseed, cottonseed and palm oils to \$90 per ton, up from \$70 per ton. According to the U.S. agricultural attache in Ankara, the government is hoping to further discourage imports and to increase the competitiveness of domestically produced vegetable oils--especially sunflowerseed oil since it is priced relatively higher. The surtax for vegetable oil in early 1985 was only \$1 a ton and was increased to \$60 a ton the end of 1985. As a result, the low world market prices for vegetable oil has made imports more attractive. Turkey's vegetable oil imports are estimated at 225,000 tons for 1985/86, 7 percent below last year's estimate. Imports consist mostly of soybean, palm, and sunflowerseed oils. Sunflowerseed oil imports are estimated at 40,000 tons, around 10,000 tons of which is expected to come from the United States.

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COTTON

Pakistan's Cotton Crop To Be Record-Large. The 1985/86 cotton crop in Pakistan is estimated at a record 5.7 million bales or 4 percent above the previous estimate, according to the U.S. agricultural attache in Islamabad. Overall, weather conditions were favorable during the growing season despite initial planting delays due to inadequate water supplies. Plantings were up 6 percent from last year due to favorable cotton prices. Latest provincial area estimates indicate a record harvested area of 2.37 million hectares.

FRUITS

Mexico's Strawberry Production Declines. Mexico's production of strawberries is expected to decline for the second consecutive year, according to the U.S. agricultural counselor in Mexico City. The 1985/86 harvest is currently estimated at 56,000 tons, down 5 percent from 1984/85 and 39 percent below the previous 10-year high of 92,500 tons harvested during the 1983/84 season. Although the total area harvested increased by 400 hectares, late season rain, hail and frost damage significantly reduced crop yields in the major producing areas of Michoacan and Guanajuato. Average yields for 1985/86 are expected to fall to a record low of 16 tons per hectare compared with 19 tons last season and 22 tons in 1983/84. Despite the weather damage, crop quality appears to be in the normal range with approximately 30 percent of the harvested berries rated grade "A", 52 percent grade "B" and 18 percent grade "C".

Mexico Strawberries: Area, Yield and Production

	Area Harvested (Hectares)	Yield (Tons per hectare)	Production (Tons)
1981/82	3,900	16.3	63,700
1982/83	3,800	20.2	76,900
1983/84	4,200	22.0	92,500
1984/85	3,100	19.0	58,900
1985/86 <u>1/</u>	3,500	16.0	56,000

1/ Estimate.

GSM CREDIT UPDATE

As of March 28, the Commodity Credit Corporation had extended \$3.6 billion worth of GSM-102 credit guarantees to promote exports of 34 commodities to 23 countries. Of that total, \$1,022.4 million had been registered.

CCC'S Commercial Export Credit Programs by Country, FY 1986

(\$ Million)

Country	GSM 102 Credit		Balance
	Announced	Registered	
Argentina	0.80	0.00	0.80
Brazil	350.00	9.70	340.30
Chile	50.00	0.00	50.00
Colombia	100.00	5.10	94.90
Ecuador	105.00	44.74	60.26
Egypt	367.50	39.20	328.30
El Salvador	8.20	0.49	7.71
Guatemala	25.00	19.76	5.24
Haiti	10.50	7.80	2.70
Honduras	11.00	2.30	8.70
Hungary	37.00	13.80	23.20
Iraq	500.00	134.30	365.70
Jamaica	60.00	8.90	51.10
Jordan	90.00	0.00	90.00
Korea	535.00	179.90	355.10
Mexico	600.00	322.00	278.00
Morocco	150.00	89.40	60.60
Pakistan	115.00	36.90	78.10
Portugal	310.00	44.20	265.80
Taiwan	3.00	0.00	3.00
Turkey	72.00	59.20	12.80
Yemen Arab Rep.	50.00	0.00	50.00
Yugoslavia	110.00	4.70	105.30
Total	3,660.00	1,022.39	2,637.61

CCC'S Commercial Export Credit Programs by Commodity, FY 1986

(\$ Million)

GSM 102 Credit			
Commodity	Announced	Registered	Balance
Animal milk replacer	0.50	0.03	0.47
Almonds, shelled	0.50	0.00	0.50
Beans, dry	99.00	8.30	90.70
Beef liver	4.00	0.00	4.00
Breeder stock	12.60	5.76	6.84
Breeding materials	1.00	0.00	1.00
Canned meats	3.00	0.00	3.00
Corn	45.00	0.00	45.00
Cotton	419.50	99.90	319.60
Feed grains	643.20	172.90	470.30
Grape concentrate	0.20	0.10	0.10
Hides & skins	44.00	2.80	41.20
Hops	0.40	0.20	0.20
Lentils	6.00	0.00	6.00
Lumber	28.30	2.30	26.00
Malt	1.40	0.90	0.50
Mullet	2.00	0.00	2.00
Oilseeds	329.00	85.30	243.70
Peas, dry	2.00	0.00	2.00
Planting seeds	14.00	7.25	6.75
Poultry breeding	2.10	1.15	0.95
Poultry meat	5.00	0.00	5.00
Protein concentrate	1.00	0.00	1.00
Protein meal	58.00	15.70	42.30
Rice	256.00	23.90	232.10
Soy protein	2.00	0.30	1.70
Soybeans	35.00	26.60	8.40
Sugar	25.00	0.00	25.00
Tallow/grease	61.50	40.00	21.50
Tobacco	91.50	0.00	91.50
Undesignated	56.30	0.00	56.30
Vegetable oils	253.50	153.20	100.30
Wheat	1,008.00	368.50	639.50
Wheat flour	100.00	6.20	93.80
Wheat/wt fl	49.50	1.10	48.40
Total	3,660.00	1,022.39	2,637.61

Selected International Prices

Item	:	April 1, 1986	:	Change from	:	A year
	:		:	a week ago	:	ago
ROTTERDAM PRICES 1/		\$ per MT		\$ per bu.		\$ per MT
Wheat:						
Canadian No. 1 CWRS-13.5%.		N.Q.		--		183.00
U.S. No. 2 DNS/NS: 14%....		168.50		4.58		+0.50 167.50
U.S. No. 2 S.R.W.10/		117.00		3.18		+3.00 168.00
U.S. No. 3 H.A.D.....		163.00		4.44		-1.50 179.00
Canadian No. 1 A: Durum...		N.Q.		--		-- 187.00
Feed grains:						
U.S. No. 3 Yellow Corn....		114.00		2.90		+1.00 136.00
Soybeans and meal:						
U.S. No. 2 Yellow.....		218.20		5.94		-- 245.00
Brazil 47/48% SoyaPellets		193.00		--		+2.00 160.00
U.S. 44% Soybean Meal....		187.00		--		+4.00 155.00
U.S. FARM PRICES 3/						
Wheat.....		116.47		3.17		-1.84 125.28
Barley.....		--		--		-- 84.97
Corn.....		90.94		2.31		-- 104.72
Sorghum.....		81.13		3.68 2/		+0.88 95.68
Broilers 7/.....		1051.37		--		-19.62 1015.66
EC IMPORT LEVIES						
Wheat 5/.....		155.85		4.24		-2.45 64.40
Barley.....		147.00		3.20		-0.75 61.35
Corn.....		137.40		3.49		-3.35 56.90
Sorghum.....		144.10		3.66		-2.15 73.30
Broilers 4/ 6/ 8/.....		308		--		-4 158
EC INTERVENTION PRICES 7/ 9/						
Common wheat(feed quality)		187.35		5.10		-2.05 146.10
Bread wheat (min. quality)		199.10		5.42		-2.15 155.30
Barley and all						
other feed grains.....		187.35		--		-2.05 146.10
Broilers 4/ 6/.....		1321		--		-78 975
EC EXPORT RESTITUTIONS (subsidies)						
Wheat		N.A.		--		-- 23.30
Barley.....		107.30		2.34		-4.15 37.30
Broilers 4/ 6/ 8/.....		225		--		-2 93

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ June shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis April delivery.

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